



State Policy Options for Developing Wind Power

Troy Gagliano

National Conference of State
Legislatures

303.830.2200 x318

troy.gagliano@ncsl.org



Introduction

- Policy Options Available to States
 - System Benefit Charge
 - Renewable Portfolio Standard
 - Disclosure and Certification
 - Net Metering
 - Property and Sales Tax Incentives



Remember One Thing!

- These policy options can be employed independent of electric industry restructuring.



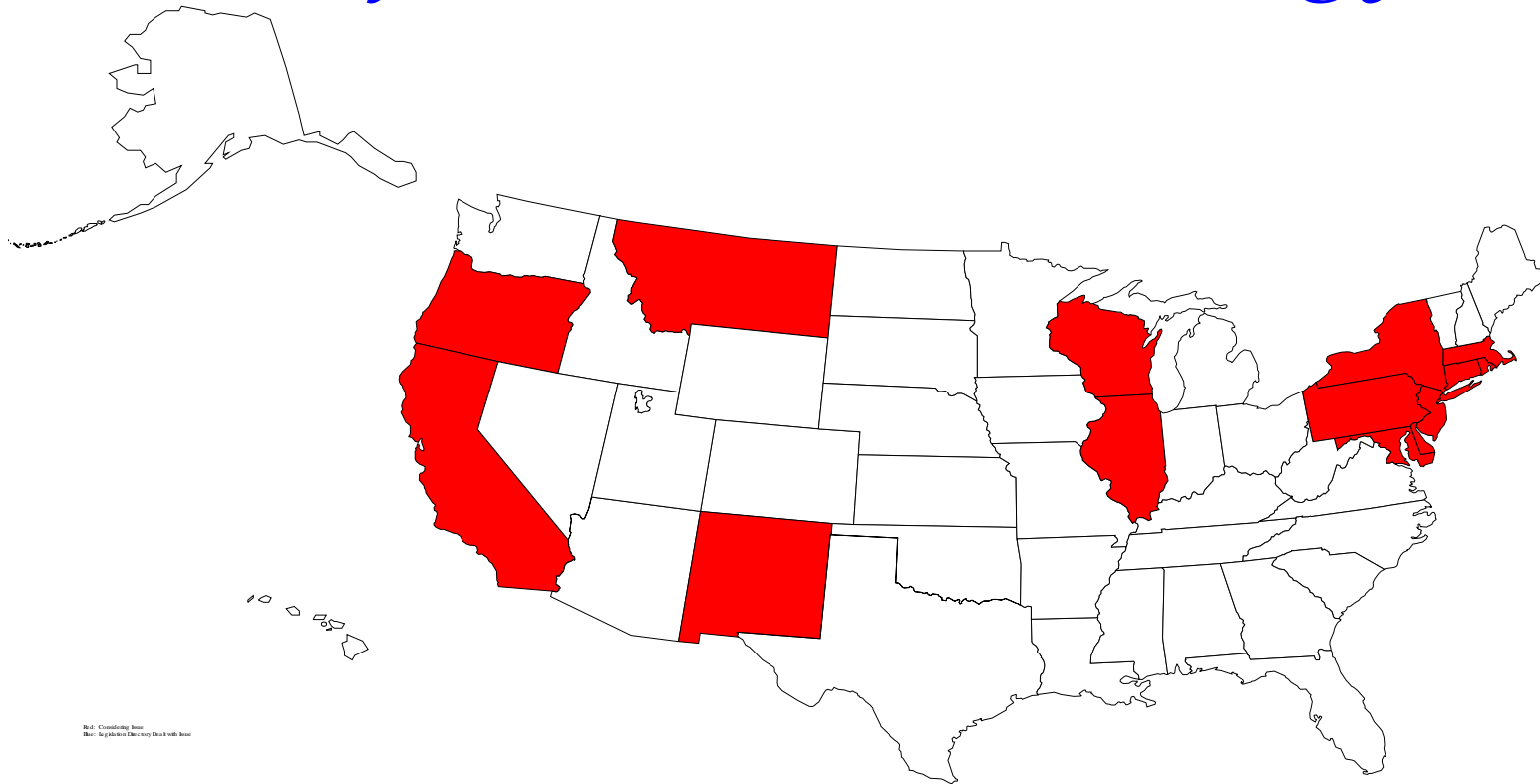
System Benefit Charge

- Definition
 - A fee paid by all electricity consumers used to fund renewable energy, energy efficiency, low-income assistance
- Ensure funding for renewable energy in time of nationwide trend of diminishing funds for such programs
- Often collected by a separate entity





States w/System Benefit Charges for Renewable Energy



Wisconsin SBC

- SBC established without restructuring.
- Creative solution: benefits fund in exchange for asset cap relief.





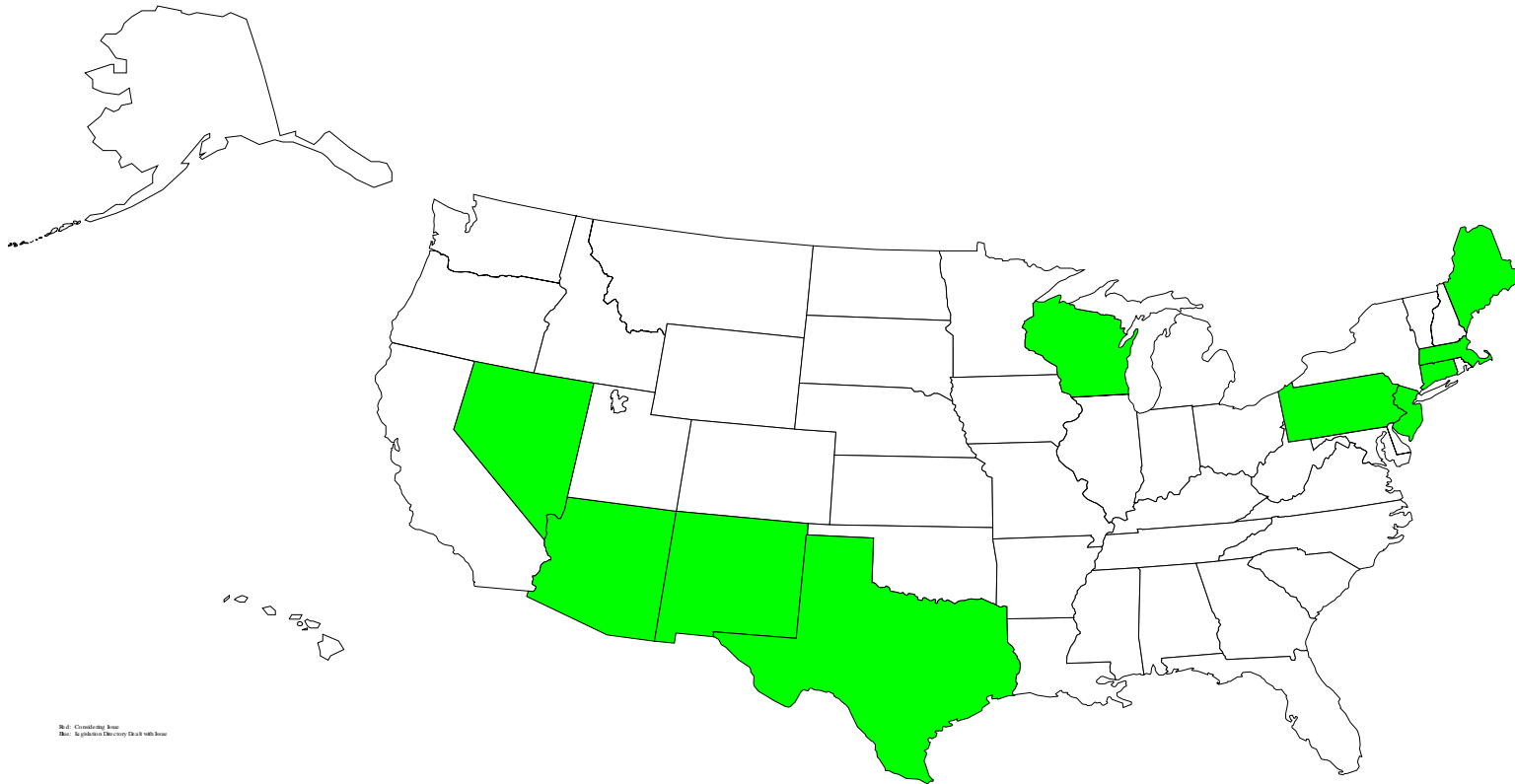
Renewable Portfolio Standard (RPS)

- Definition
 - Requires all electricity retailers in a state to provide a specific amount of total power from renewable energy (commonly 5-7 percent)
- Achieves specific targets
- Well suited to large scale wind power (>50 kw)





Renewable Portfolio Standard Programs (RPS)



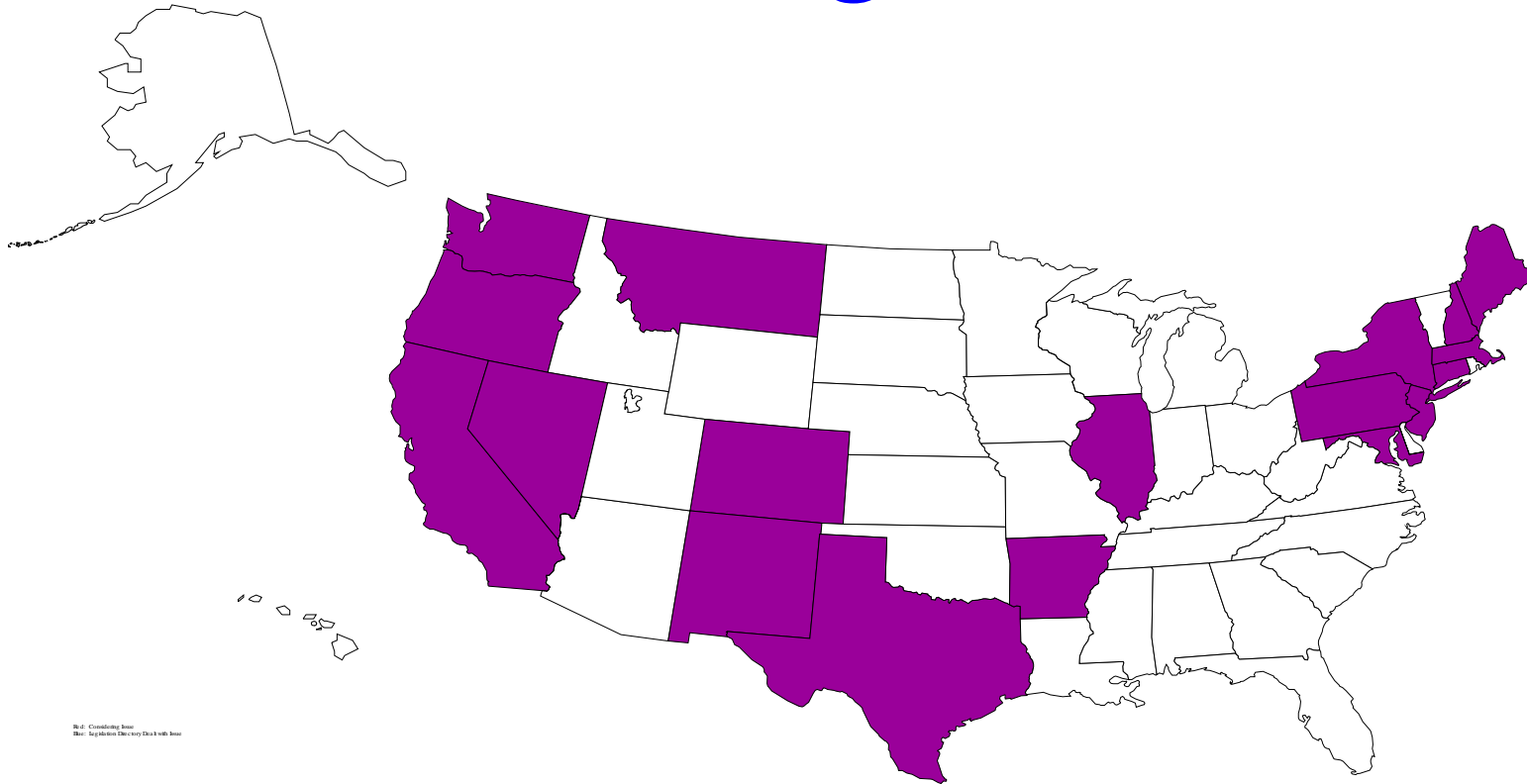
Disclosure and Certification

- Definition
 - Fuel sources used to generate electricity are revealed on customer's bill
 - Some states also include emissions
- Educate consumers
- A sort of “truth in advertising” for providers





Disclosure & Certification Programs



Net Metering

- Definition

- Allows small renewable generators to sell electricity back to the utility, often at retail rate
- Essentially “run the meter backwards”

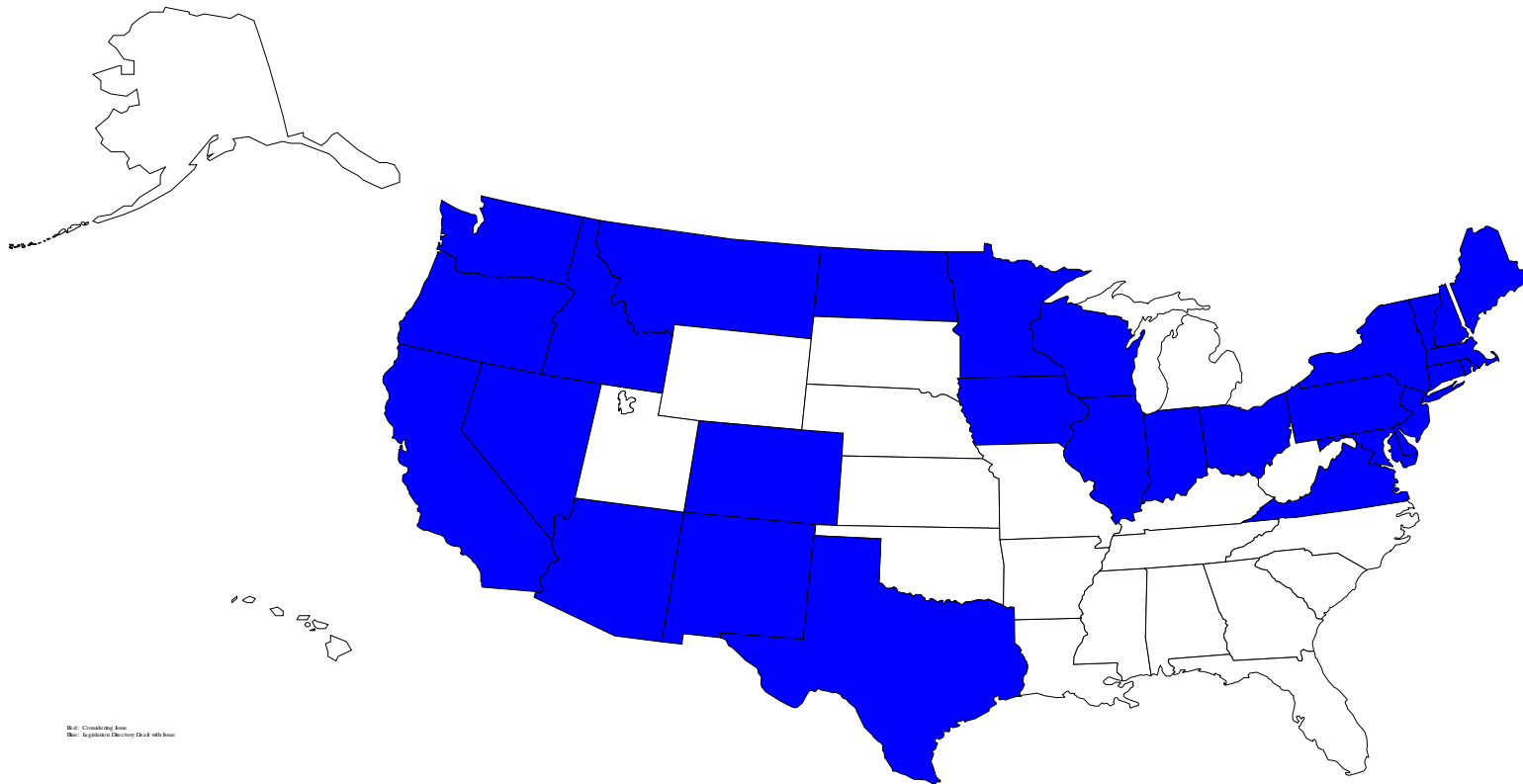
- Encourages small scale generation

- Usually a cap placed on size of system (typically 25kw to 100 kw)





Net Metering Programs



Blue: Considering here
White: Legislature has not yet taken action



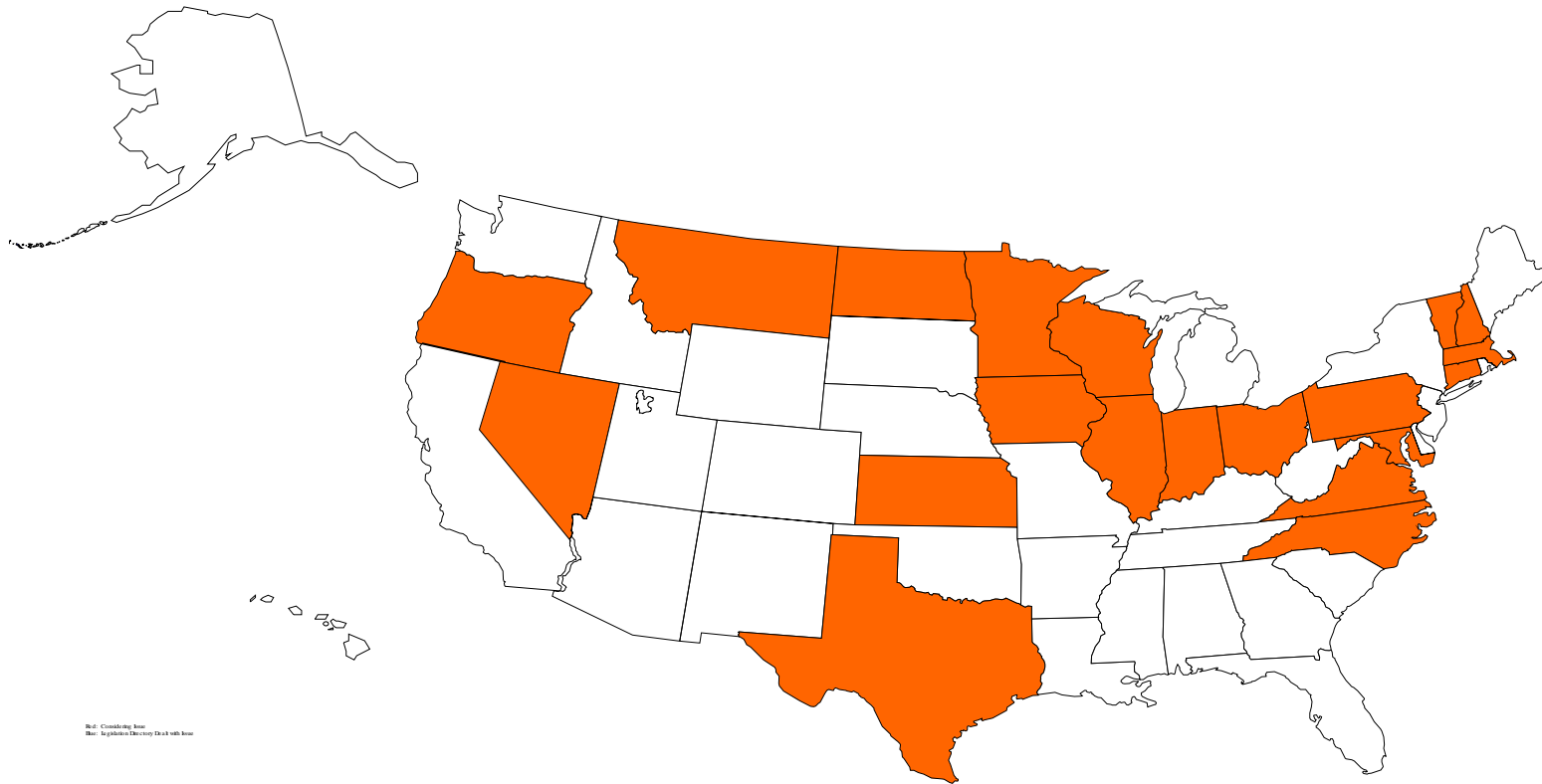
Property and Sales Taxes

- Property Tax Incentives
 - Encourage large scale wind development
- Sales Tax Incentives
 - Encourage small wind development



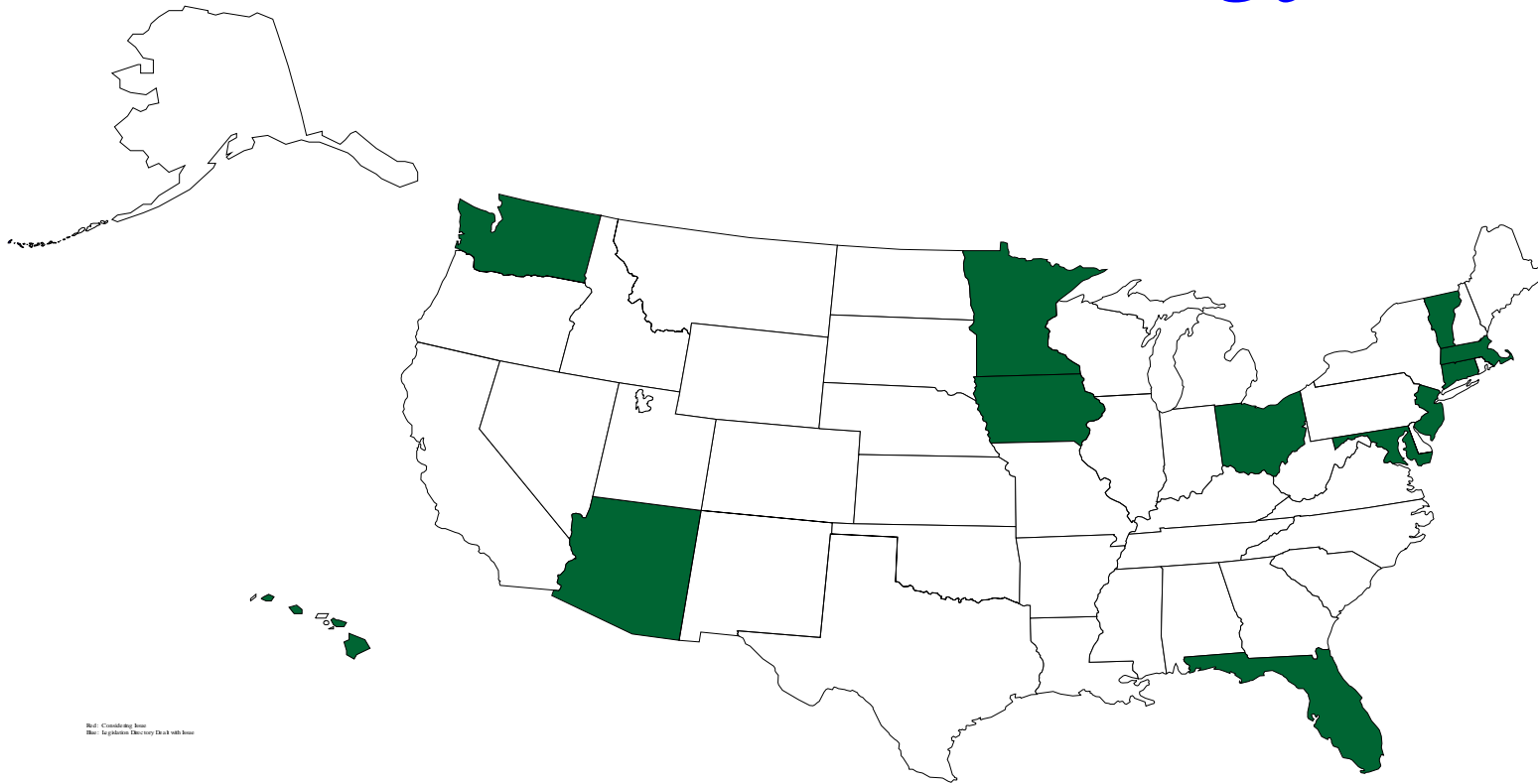


States w/Property Tax Incentives for Renewable Energy





States w/Sales Tax Incentives for Renewable Energy



Minnesota Example

- Tax incentives: corporate, sales, property
- Net metering - buyback at retail rate
- State loan and grant programs
- NSP mandate



Conclusion

- No electric industry restructuring needed
- Creative partnerships/ compromises- (Wisconsin example)
- NCSL website
 - www.ncsl.org
- Database of State Incentives for Renewable Energy



– [~~http://www-~~](http://www-)

~~solar.mck.ncsu.edu/dsire.htm~~